



Microsoft Scrambles to Simplify its Licensing

Microsoft is pledging dramatic improvements to its notoriously complex enterprise licensing, but experts are skeptical about the potential impact of the plan.

By Juan Carlos Perez
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It's not a sure thing that the current initiative will succeed. Over the years Microsoft has frequently adjusted its licensing policies and procedures, attempting always to make them easier to understand, but that goal remains a moving, elusive target.

Enterprise customers find Microsoft licensing vexing

"Microsoft's licensing model is far too complicated and onerous," said Mark Johnson, a longtime enterprise IT chief who is president of CIO advisory firm [Xtrii](#). "People typically don't buy what they don't understand."



Mark Johnson, president of Xtrii

David Annis, CIO and vice president of IT at a marketing promotion management company in Arizona, concurs. "I'm not sure how much more complicated Microsoft can make their licensing model," he said.

In a previous job as senior VP of IT and VP of software development at Universal Technical Institute between 2007 and 2011, Annis was involved with the school's Microsoft Volume Licensing agreement for its about 2,200 users and found it "very confusing."

"Some licenses were covered under it and others weren't," he said. "It was confusing to know what you needed to buy and what was covered by the maintenance agreement."

Things got so complicated that he decided to hire a financial accountant to keep track of all Microsoft IT licensing and purchasing, so that the company could do accurate and proper budgeting and future forecasting for Microsoft software.

His current employer is pretty much standardized on Microsoft at the desktop, server and application development levels. Because the company has about 60 end users, Annis doesn't see the benefit of signing up for Volume Licensing, so he licenses the products individually.

This perspective further highlights for Annis how fragmented and inconsistent the licensing terms are among different Microsoft products. "It would be very helpful if they simplified the entire process," said Annis, who has been with his current employer since December 2011.

Xtrii's Johnson has faced similar difficulties and frustrations with Microsoft licensing

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during his 25 years in enterprise IT, holding CIO, CTO and other high-level executive positions. "I've seen Microsoft licensing in different scenarios and from different perspectives," he said. "It is rare to find someone other than a Microsoft Licensing Specialist who can read a Microsoft Enterprise Agreement, clearly understand it and tell you what it really means."

That includes Microsoft account managers, said Johnson. Account managers often defer these explanations to Microsoft licensing specialists "who speak their own lingo that only Microsoft people can understand"

During his tenure as CIO of an energy company in Austin, Texas, between October 2012 and December of last year, Johnson seriously contemplated upgrading a set of Microsoft on-premises servers, including SharePoint, Lync and Exchange, and moving about 1,200 users to the newer, cloud-hosted versions in Office 365.

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